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# INFORMATION REPORT

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SUPPLEMENTARY REPORT NO.

This report consists of a chart of the organization of the Administration of Soviet Property in Austria (USIA), a commentary on the chart, and a list of telephone numbers for USIA officials.

The chart was compiled on the basis of information derived from

Some information, including confirmation of many names listed by the various departments, was obtained from Civil Censorship intercepts made available to the reporting officer by the Austrian authorities. Many names on the chart and all of the telephone numbers were found in the confidential telephone directory of the Economic Research Department of USIA.

There is apparently no official central USIA telephone directory; each department compiles its own. Since the directory used in making the chart had not been kept up to date, an effort was made to check all names listed with previous USIA information on file in various departments in order to confirm as many names as possible and delete names of officials known to have been transferred or dismissed in recent months. In content, the chart is evaluated probably true. It is not a complete roster of USIA personnel.

The chart does not attempt to indicate the exact relative importance of various administrations and sections within the main divisions of USIA. The USIA organizational picture is not clear-cut, nor is the chain of command always apparent to USIA employees. The word "branch" has been used on the chart to designate the main divisions of the USIA Directorate; actually, this term is not used by the Soviets, and these three main divisions of the Directorate are not referred to by any one word. USIA has a system for numbering departments and administrations, which is unrelated to the importance of the units numbered; this system has not been used on the chart. USIA employees frequently refer to a section or department by the name of its chief only, which further complicates the organizational picture. The abbreviation "TH", which appears on the chart, designates the USIA headquarters building at Trattnerhof 1; the Roman numeral following indicates the floor, and the Arabic numeral, the room.

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CENTRAL INTELLIGENCE AGENCY

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B. AUXILIARY ADMINISTRATIONS

NEPIMOV -  
replaced by  
NIEDERLE - Deputy

LECH  
MICH

MOSKO - Secretary

Austrians:

Dr. Max HAUSMANN

KLOIMSTEIN

SCHWARZ

MANKE - Real Estate

Dr. SHAPIRO - Patent Expert

Austrians:

Dr. Maximilian MAMFRED

Dr. KRAUS

BAAR

SCHONTARDOV - Deputy

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II (Chart) CENTRAL INTELLIGENCE AGENCY

A. DIRECTORATE

- 2 -  
- 2 -

2/17/49  
Mrs. [illegible]  
Chief of [illegible]

Headquarters Vienna I, Trattnerhof 1

KALAVIN  
General Director

TIKHONOMIROV  
Deputy for Commercial Matters

EVGENIEV - Deputy

STARTSEV  
Deputy for Administrative and  
Technical Matters

GLEBOVSKI - Deputy (for [illegible])

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Military Bank  
ZERULIK - Director  
Soviet Trade Delegation  
(Sowjetische Handelsvertretung)  
Wohllebengasse 4, Vienna IV  
Juschmeschtrans  
Transportation Agency  
KOOPERATION - [illegible] Par-  
[illegible] Vienna I

					PERSONNEL BRANCH		
Planungsabteilung TH III/59	Hauptinspektorat TH III/56-58	Buchhaltung der Zentralverw. TH	Kaufmannisches Zentral- Büro) Vienna IV, Stalinplatz 10	Research Department (Wirtschafts Konjunktur-Abt.) Vienna/IV Bruckenstr.	Labor Regula- tions (TRUD) TH Mess/5	Central Book- keeping (AKRO)	Austrian Personnel TH II
STARTSEV - Gen. Director	KEPIN - Chief	CHERNAYTENKO (Oberbuchhalter)	OSIPOV - Gen. Director	Engr. VORONIN - Gen. Director	LOWUKHIN - Chief	POPOV - Chief Accountant	HUK - Gen. Dir. (Austrian) # KPOe Maison Officer
GLEBOVSKI - Exec. Officer	TITOV		ZHADOV - Deputy Director				
SHEREVSKI - Deputy for Planning	LEBEDEV		GEORGIEVSKI - Export Permit Officer				
SHEVCHENKO - Chief Engr.			Austrians: Hans ALBIN - Commercial Dir. (Soviet citizen of Austrian origin)	Austrians: Dr. HORCHEL Dipl. Kfm THINEL BAUER KRALIK - interpreter	Austrians: LUSTMANN (KPOe GRUBER RENNER	Austrians: KAISER - Chief of Pay Office TH Mess/5	Administration & Services TH II Austrian drives cleaning women, repairmen Chief Shop Steward (Betriebsrat der Zentralverwal- tung) TH II/28 Austrian: STEINER
Austrians: PAPP (KPOe) SWADLER (for- mer NSDAP)		Financial Dept. (Finanzabt.) TH III/53 Austrian: KREMER	Dr. HUTSCHENEGGER - Gov't liaison EREKY JACKEL Engr. GRUBER Dr. HOLLAND AUFRECHT MUSIL				

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## 6. PRODUCTION ADMINISTRATIONS

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<b>Metallurgical and Coal</b> (Verwaltung der Metallurgischen u. Kohlenindustrie) TH IV	<b>Machine Construction Industry</b> (Verwaltung der Maschinenbauindustrie) Heavy Industry Department ("POIMOMNIK") TH I/26	<b>Automotive and Fine Mechanics Department</b> ("AVTOVELO") TH I/16	<b>Light Industry</b> (Verwaltung der Leichtindustrie)	<b>Electrical Industry</b> (Verwaltung der Elektrischen Industrie) TH II/64; III/51; IV	<b>Chemical Industry</b> (Verwaltung der Chemischen Industrie) TH V/102-107	<b>Construction and Building Material</b> (Verwaltung der Bauten u. Baumaterialien) TH IV/81/82	<b>Buildings, Estates, Real Estate</b> (Verwaltung der Häuser, Gärten u. Liegenschaften) Hq. Stalinplatz 10
<b>PAYLOV</b> - Gen. Director  <b>ANDREEV</b>  <b>PRIZKA</b> - Commercial Director	<b>RUBLIOV</b> - Gen. Director <b>LESHOV</b> - Deputy <b>KABILEV</b> - Technical Dir.  Austrians: <b>WALLASCH</b> <b>LINDNER</b> <b>HAUK</b> <b>OMBRICH</b> <b>MERBAUL</b>	<b>DUKHANIN</b> - Gen. Director  <b>IMILYANOV</b> - Commercial Director	<b>GRIGORIEV</b> or <b>GEORGIEV</b> - Gen. Director (succeeding <b>UTKIN</b> )  <b>FEDEROV</b> <b>VASILYAN</b> <b>LUTIKOV</b>  Austrian: <b>WIMMER</b> - Chief Accountant	<b>SHURIN</b> - Gen. Director <b>KABLEV</b> - Deputy <b>OGURTSOV</b> <b>ELIEV</b> - Chief Accountant  Sales Department (Verkaufsabteilung) TH III Austrians: <b>FRANKL</b> (Expert on Swiss Trade) <b>FRAN. WECKL</b>	<b>LEVKOVICH</b> - Commercial Dir.  <b>BUNDI</b> - Personnel Chief  Major <b>LISOV</b>	<b>Dmitri SIDOROV</b> - Acting Director <b>SUBOSHEV</b> - Deputy <b>MELEEV</b> <b>RAITSIN</b> - Commercial Director <b>KUTIKOV</b> - Chief Bookkeeper <b>SHEPETELENSKI</b> - Production Chief <b>ROSTOVSKI</b> - Buildings  Austrians: <b>Robert ROSSAK</b> - Personnel <b>Dr. FROMMER</b>	<b>DEVERSHIN</b> - Gen. Director  Branches at: Gusschastr. 30 Food Industries (Verwaltung der Betriebe der Lebensmittelindustrie) Lumber Industry (Holzindustrie) Real Estate (Verwaltung des Unbeweglichen Vermögens) (1) Agricultural Land (2) Forests (3) Buildings  Soviets: <b>LUCHIKOV</b> <b>HUKHOV</b> (?) <b>SERGACHEV</b> Austrians: <b>SCHURHOFF</b> <b>WIMMER</b>
<b>Sales and Purchases</b> (Absatz u. Versorgungskontor) Lothringerstr. 8/11  Sales Bureau (Verkaufsbureau) Bruecknerstr. 2/I  Austrian: <b>Dr. Martin WEISS</b> - Director	<b>Sales and Purchases</b> (Absatz u. Versorgungskontor) Prinz Eugenstr. 6a  <b>BONDAR</b> - Gen. Director Austrian: <b>Engr. HUBER</b>  Additional Sales Office at Teibukhinstr.	<b>Sales &amp; Purchases</b> (Absatz u. Versorgungskontor) AVTOVELO  <b>KRASNOV</b> - Gen. Director  <b>FRAN. KRASNIGG</b>	<b>Sales and Purch.</b> (Absatz u. Versorgungskontor) Favoritenstrasse	<b>Sales &amp; Purchases</b> (Absatz u. Versorgungskontor) Fischmarkt I/I  <b>SHARIKOV</b> - Gen. Dir. <b>Capt. IVANOV</b> - Commercial Director <b>Mrs. KOPETSKI</b> <b>Mrs. MICHALEK</b>	<b>Sales &amp; Purchases</b> (Absatz u. Versorgungskontor)  <b>RISAROV</b> - Gen. Director	<b>Sales &amp; Purchases</b> (Absatz u. Versorgungskontor) Argentinierstr. 26  <b>KUVCHINSKI</b> - Sales Chief  Austrians: <b>ALBINGER</b> <b>FRANETZ</b>	

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CENTRAL INTELLIGENCE AGENCY

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A. Directorate1. General

The USIA Directorate is divided into three main branches, Technical, Commercial, and Personnel. The relationship between each branch is not clearly defined; each has considerable autonomy, but in certain respects is subject to control and dictation by the other two branches. There is no clear-cut command channel from branches of the Directorate to the Auxiliary and Productions Administrations, all of which have a certain degree of autonomy. Each branch of the Directorate gives general instructions in its sphere and exercises some control over the administrations, but on controversial matters the decision usually rests with Moscow. In matters of finance, commercial policy, and personnel, the Directorate apparently has more authority than in plant management and production planning. The Directorate is faced with a serious problem in fighting inefficiency and corruption on the part of Soviet personnel in the administrations. (Comment: Soviet members of the Directorate, as well as several Soviet and Austrian employees of some of the lesser departments of USIA have in the past been involved in corrupt practices, resulting in many cases in dismissal or arrest.)

2. Personnel of the Directorate

MALAVIN, Soviet general director of USIA, is a good machine construction engineer from Moscow. His predecessor, BORISOV, was more dynamic, but MALAVIN is honest and businesslike. Many of the corrupt practices now coming to light in USIA existed under BORISOV, but were not discovered during the confused situation which prevailed in USIA during 1946 and 1947.

STARTSEV, MALAVIN's deputy for technical matters, is also a machine construction engineer. He is very well educated and is respected by the Austrian personnel.

GLEBOVSKI, STARTSEV's deputy, is a strong Communist. He is fair to the Austrian employees of USIA, however, and is generally well-liked by them.

SHEVCHENKO, chief engineer of USIA, is officially listed as a member of the Planning Department, but actually has a special assignment as technical consultant to MALAVIN and STARTSEV.

TIKHOMIROV is MALAVIN's deputy for commercial matters. His personality is difficult to understand. He apparently has a great deal of commercial ability. (Comment: TIKHOMIROV, who has often been mentioned in reports is one of the most powerful men in USIA. It is he who represents the Soviet Element in almost all the large commercial transactions conducted through independent "businessmen," involving sale to or purchase from Austria or western European countries of such critical items as scrap iron, chemicals, machinery, etc. It is of some significance that TIKHOMIROV has survived a series of arrests and internal reorganizations in USIA and has usually emerged in a position of greater responsibility.)

KRASAVIN, MALAVIN's deputy for personnel matters and MVD representative in USIA, is a stubborn Party man who is feared by the Austrian employees. His Kader (Personnel) Abteilung is responsible for Soviet and Austrian personnel of USIA, including employees of USIA-controlled plants. KRASAVIN exercises control in regular personnel procedures and in political matters as well. Under instructions from the Soviet Ministry of the Interior and the Communist Party, KRASAVIN issues political directives for all Soviet civilian employees in Austria. (Comment: Whereas it is quite possible that there is an MVD representative in USIA, the scope of KRASAVIN's activities as described appears to be somewhat exaggerated.)

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- a. The Planning Department is under the direct jurisdiction of STARTSEV. Most of the department's work is performed by SHEREVSKI and two Austrians, PAPP and STADLER, acting in close coordination with the Quality Control Office. The Planning Department issues general directives to the administrations, but cannot prevent administrations from ignoring or altering these directives. In such cases, the administration assumes responsibility for its action, and the Planning Department can at best report the case to Moscow. One source describes the Planning Department as the "warning index finger" which keeps the administrations from getting out of line.
- b. The Quality Control Office, officially known as the Hauptinspektorat fuer die Produktion der USIA Betriebe, sets quality standards for USIA production. With the assistance of the production administrations, the Quality Control Office tests products of USIA plants for quality. The Soviet officials in this office are reasonably good engineers who do a conscientious job. REPIN, chief of the office, is directly responsible to GLEBOVSKI, STARTSEV's deputy. REPIN is a veteran engineer, but not so skilled as his associates.
- c. The Accounting Office checks and approves budgets for the administrations and keeps financial records for all USIA plants in conjunction with the Soviet Military Bank. The Chief Accountant (Oberbuchhalter), CHERNAVAYENKO, is one of the most important officials of USIA. He holds the financial reins for all departments of the Directorate as well as for all the administrations. The chief accountant of each administration is responsible to him. The Finance Section of the Accounting Office studies the cost of production in USIA plants. The Accounting Office allows each USIA plant to include a profit of 25 percent in its prices, which is divided as follows:

- 3 percent to the plant for expansion and repairs
- 10 percent to the account of the Sales and Purchasing Office (Absatz- und Versorgungskontor) of the administration which directs the plant.
- 12 percent to the account of the USIA administration concerned.

#### 4. Commercial Branch

- a. The Central Commercial Bureau at Stalinplatz 10 is perhaps the largest and most important department of the Directorate. The Commercial Bureau is directly responsible to TIKHOMIROV on matters of policy. Its chief, OSIPOV, is responsible for approval or disapproval of every shipment scheduled to leave USIA plants or warehouses. In addition, the Central Commercial Bureau functions somewhat as an independent middleman or broker, purchasing from USIA plants and selling on its own account, chiefly to export companies. One of the important activities of the Central Commercial Bureau is to discover ways and means of circumventing Austrian commercial and foreign exchange regulations. The most active members of the department are Hans ALBIN, an Austrian who now has Soviet citizenship, and Dr. HUTSCHENECKER. They often represent USIA in dealings with the Austrian Government. GEORGIEVSKI, export permit officer of the Central Commercial Bureau, speaks good German; he limps, one leg being shorter than the other. (Field Comment: The relationship between the Central Commercial Bureau and the Sales and Purchasing Offices of the individual production administrations--see paragraph C below--is a complex one and not clear in all its facets. It can be said generally, however, that the Sales and Purchasing Offices of individual administrations are competent only for matters affecting the enterprises under their control. They may contract for raw materials and equipment for their plants and market the products of these plants, but both these activities are carried on, as far as can be determined, within the framework of instructions issued by the Commercial Branch of the Directorate to the Commercial Departments of the individual production administrations, whence they are passed on to the individual Purchasing and Sales Offices. The function of the Commercial Department within each individual administration has never been clearly specified, but is believed to consist largely of adapting the general commercial policies issued by the Commercial Branch

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Sales and Purchasing Office of some administrations, such as the Metallurgical Administration, are much more active and are accorded wider discretionary powers than in other administrations, where their functions may be purely nominal.)

- ✓ b. The Economic Research Department (Wirtschaft Konjunktur Abteilung) is frequently called "Abteilung VORONIN", or "Statistisches Abteilung", and sometimes "Aussehenhandel Abteilung"; the latter term is used particularly in dealings with Austrian government offices. This department was formerly headed by Arpad HALLS, who is now chief of a department in the Hungarian Ministry of Commerce in Budapest. The Economic Research Department keeps records of black market and world prices for goods and foreign currency. This information is supplied periodically to USIA departments and plants in a restricted bulletin. The Economic Research Department also keeps complete records of Marshall Plan deliveries to Austria, as well as data on current production and production problems of non-USIA plants in Austria.

##### 5. Personnel Branch

- a. The Labor Regulations Section is generally called "TRUD", which is a Soviet term for labor. This department issues labor policy directives for all USIA plants. LOMUKHIN, Soviet chief of TRUD, is regarded throughout USIA as fair in his judgment and easy to approach; he is the person to whom final appeal is addressed in labor disputes. Austrian staff members are LUSTMANN, GRUBER, and RENNER, KPOe members. LUSTMANN has a fair amount of influence in the USIA Shop Council (Betriebsrat).
- b. The Central Bookkeeping Section is designated by the Russian abbreviation AXO (AKHO). This section handles salaries of all USIA employees. The paymaster for Austrian employees is KAISER, member of the KPOe and the USIA Shop Council, who is not very popular with the employees.
- 25X1A6a c. Austrian Personnel Section. The chief figure in this section is HUK, KPOe member. HUK replaced FELLINGER as chief liaison man between USIA and the KPOe. Comment: This reference is presumably to FELLINGER, formerly a member of the USIA Light Industry Administration, who was dismissed during the fall of 1948 for corruption.)
- d. The Administrative and Services Section is in charge of repair and maintenance crews in the main USIA buildings and also supervisor of the Austrian chauffeurs.
- e. Office of the Shop Steward. STEINER, chief shop steward (Betriebsratobmann), is supposed to act as intermediary between the Trade Union in USIA and the Directorate. Though a KPOe member, STEINER complains that he is regarded with suspicion by the Soviets.

##### B. Auxiliary Administrations

6. General: The German Properties, Legal, and Patent Departments fall into a separate category of USIA organization. Each is a relatively independent administration or department, headed by a general director. These administrations perform legal and research functions with regard to German property and patents in Austria which are matters of indirect interest to the USIA Directorate. Functionally, however, these departments can be considered responsible to the Technical Branch of the Directorate. They have administrative relations with the Personnel Branch but virtually none with the Commercial Branch.

##### 7. The German Properties Department

- ✓ which a. This department or administration, which is officially named Abteilung zur Erfassung des Deutschen Eigentums, makes surveys of firms, plants, and properties in Austria in order to determine the percentage of German ownership or which firms have German creditors. Decision on percentage of German ownership is based on study of questionnaires answered by the firms under

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sheet, and in the case of real estate, the value of the property as indicated by the Austrian cadastral records (Grundbuch), expressed in 1945 schilling values.

b. Personnel

YEFIMOV, chief of the department, succeeded KROLEVSKI during the fall of 1948. KROLEVSKI went to Moscow on leave and did not return to Vienna. YEFIMOV is an engineer by profession but seems to be well qualified for the work of the German Properties Department. He speaks fair German. (Washington Comment: Reported to have been replaced by Olekh; [redacted] Report of [redacted] of [redacted])

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IOSKO, department secretary, is also an engineer by profession. He was born in Siberia. IOSKO is efficient and responsible.

Dr. Max HAUSMANN is an Austrian lawyer who joined the Communist Party because of persecution by the Nazis. He is not ~~pro-Soviet~~ and appears to try to protect Austrian interests in his work as a case reviewer in the German Properties Department.

Franz SCHWARZ is a former Viennese businessman who began to work for the Soviets as a legal and commercial adviser in Vienna in 1947.

WANEX, an expert on real estate, works as a case reviewer. He is able and careful and does not hesitate to expose irregularities on the part of Soviet officials.

8. The Legal Department (Rechtsabteilung)

- a. This department passes on the legality of decisions reached by the German Properties Department. Interpretations by the Legal Department have frequently been more unfavorable to Austrian interests than decisions by the German Properties Department. The Legal Department also tries USIA cases in Austrian law courts. For this purpose, the services of Austrian law firms, such as that of Dr. Julius JEANNEE, are engaged on a retainer basis. (Comment: Dr. JEANNEE is a Viennese lawyer of questionable reputation, whose Soviet connections are well known. He has been closely associated with Dr. MANFRED, mentioned below.) In 1949, the Legal Department may be concerned with the legal problems involved in the return of certain less profitable USIA properties to the Austrian economy. In December 1948, MALAVIN placed one young Soviet lawyer in each of the departments of the Directorate and Auxiliary Administrations for training purposes; their work is supervised [redacted] 25X1A6:

b. Personnel

KHOTKOV, who was deputy chief under FEDOTYEV, has been acting chief since the latter's departure in the fall of 1948. KHOTKOV is a pleasant, quiet person. His knowledge of western European law is mediocre, however, and as a result he is completely dependent upon Dr. MANFRED for advice in legal matters.

NIEDERLE was born in Russia of Austrian parents. His attitude is not pro-Austrian, however. He lives in Vienna IV, Favoritenstrasse 50.

Dr. Maximilian MANFRED is an Austrian lawyer who represents USIA in court and receives a monthly salary for his services. He does not work at Trattnerhof 1, but performs his USIA legal work from his office in Vienna IV. MANFRED was in close contact with FEDOTYEV while the latter was chief of the Legal Department, and is still active under YEFIMOV's administration, although MANFRED allegedly lost most of his influence with the Soviets. (Comment: There are numerous references in our files to MANFRED's questionable legal transactions. He allegedly charges exorbitant fees for handling Austrian claims against the Soviets and has accepted large bribes

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requisitioned property favorable to the former owners. There is considerable speculation as to how MANFRED managed to retain his position with the Soviets following FEDOTYEV's dismissal, since they cooperated very closely in the illegal transactions which brought about FEDOTYEV's downfall.)

Dr. KRAUS, Austrian lawyer for USIA, receives a monthly salary for his services. His pro-Soviet attitude is so pronounced that it has occasioned criticism even by Dr. MANFRED. A rivalry has existed between KRAUS and MANFRED for some time. KRAUS is a small man, about 40 years old, with curly blond hair; protruding ears; oval face; he appears to be Jewish. He lives in Vienna I. His legal decisions against Austrian interests and his numerous illegal transactions have caused him to be thoroughly disliked by the Austrian personnel of USIA.

Karl BAAR is a Czech who was employed by the German Finance Authority in Prague during the last war. He is a member of the KPOe, but is regarded with suspicion in the Party since it is believed he may have fled from Czechoslovakia as a Nazi collaborator. BAAR allegedly accepts bribes.

9. The Patent Department studies the records of USIA plants in order to decide which patents can be claimed by the Soviets as German-owned. This department has been particularly active during December 1948.

#### C. Production Administrations

10. General: The production administrations, which direct the activities of USIA plants, are semi-autonomous. Their structure duplicates the Directorate in that each administration has a technical (planning, administration, and accounting), commercial (including Absatz- und Versorgungskontor), and a personnel section. The general directors of the production administrations report directly to MALAVIN and his three deputies. Each administration has a policy-making and coordinating commercial section, in addition to the Sales and Purchasing Office (Absatz- und Versorgungskontor); the latter office actually does the buying and selling. Some administrations have separate sales offices for individual products. Coordination between the Sales and Purchasing Offices of the various administrations is poor; there are cases on record where one USIA plant bought raw materials from another through Austrian middlemen in order to avoid the interdepartmental confusion. Allocation of USIA plants to the various administrations is rather haphazard; each plant, however, is closely supervised by the administration to which it is assigned. There is a trend in USIA to assign two or more plants to one plant director.

#### 11. Machine Construction Administration

- a. The Heavy Industry Section, or PODIOMNIK, directs about forty USIA enterprises, primarily heavy machinery plants and bridge construction firms. The Sales and Purchasing Office of the Heavy Industry Section is offering prompt, short term delivery on the following items: Machine tools and dyes, agricultural machinery, cigarette machines, bridge and other steel structures (from Wagner-Biro and Wiener Brueckenbau), tank cars, locomotives, and various machine parts.
- b. The Automotive and Fine Mechanics Department, known as AVTOVELO, handles all USIA vehicle construction and repair facilities, as well as five industries producing fine mechanical devices such as the Goerg optical firm's electrical measuring instruments. DUKHANIN, present director of AVTOVELO, replaces LOMANOV who was transferred to Rumania in early December 1948.

12. The Construction and Building Materials Administration is now under the direction of SIDOROV; until recently the chief was VOLOVIR, who has been transferred. The

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26. handles products of the following firms:

Erste Oesterreichische Maschinglasindustrie A.G., Brunn am Gebirge, Austria's largest window glass factory.

Moosbrunner Glasfabriks A.G.

Schilfrohrverwertung Gebr. Muller at Neusiedl am See, which manufactures reed products.

All USIA-controlled brick works, sand and gravel pits.

The Erndt ceramics company in Vienna IX and Klein Poeschlarn a.d. Donau.

Gretsch & Co. G. m.b. H., Vienna X, which makes building hardware.

Heinrich Bertrams, iron pipe factory in Vienna XX.

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In [redacted] opinion this list shows USIA's lack of system in assigning plants to the various administrations.

123. Administration for Light Industries. In addition to its Sales and Purchasing Office in Favoritenstrasse, this administration has a sales office for textiles in Alterlaa near Vienna. The Alterlaa office sells leather and products of the Alt-Erlaauer Faerberer und Appretur A.G., which produces low-grade flannel at 20.56 schillings per meter wholesale (22 to 24 schillings retail).

#### D. Independent Organizations Associated with USIA

14. The Soviet Military Bank holds all the funds of USIA branches, administrations, and sales offices. It grants credits and performs all normal banking services for USIA plants.
15. The Soviet Trade Delegation (Sowjetische Handelsvertretung) at Wohllebengasse 4 has existed in Austria for some time; a predecessor agency ~~was~~ existed before 1938. This Delegation purchases on behalf of the Soviet Government. Until recently, most Soviet Government orders in Austria, particularly for military departments, were placed directly with the sales offices of the various USIA administrations, and the Soviet Trade Delegation was not particularly active. Since November of 1948, however, more Soviet Government purchase orders have been placed in Austria through the Trade Delegation. In December 1948, for example, the Trade Delegation purchased more than one and a half million schillings worth of electrical measuring devices manufactured by the Goerz optical company for shipment to the USSR. [redacted] 25X1A6a  
Comment: An Austrian Government source has provided further details on the Soviet Trade Delegation. This delegation's purchases from Austrian firms, as well as from USIA, for schillings increased during October and November 1948 to such an extent as to cause alarm in Austrian business circles. Since purchases by the Soviet Trade Delegation do not conform to Austrian export and tax regulations, the large increase in the Delegation's schilling purchases was thought to have an adverse effect on the Austrian economy. Except for rare cases, the Austrian firms dealing with the Soviet Delegation did not report these transactions to the Austrian Trade Ministry through the Warenverkehrsbureau. The Soviet Trade Delegation originally purchased goods in Austria for which no payment was made by the Soviets, since these goods were considered compensation for Soviet food deliveries to Austria during 1945. The account to which these purchases were charged was known as the "Erbsenkonto." Following a Four-Power decision to halt further Austrian deliveries against the Erbsenkonto, the Soviet Trade Delegation continued its purchases in Austria, paying in schillings, but without conforming to Austrian export regulations. The Soviet Trade Delegation in Austria represents the STANKOV Agency, which is a central Soviet [redacted] headquarters in Moscow.)
16. The KOOPERATIVA [redacted] are Soviet army-controlled purchasing units which buy for military [redacted] as well as for other Soviet personnel in Austria. [redacted] 25X1A6a  
Comment: An [redacted] dated 28 November 1948, [redacted] that the Kooperativa were to be discontinued in Austria.)
17. Juschweschtrans Transport-und Speditionskontor

- a. Virtually all USIA goods exported from Austria, as private or governmental sales, are transported by Juschweschtrans, Soviet-controlled shipping firm. The procedure for USIA orders is as follows:

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tion administration, or the Soviet Trade Delegation, wishes to export goods from Austria, Juschneschtrans is notified by letter, naming the place, quantity of goods and approximate date on which pick-up of the shipment is desired. The letter is accompanied by an invoice.

- (2) With this letter, Juschneschtrans fills out an export application in Russian and makes up a bill of lading. The export application is sent to the USIA administration responsible for the goods to be exported, where it must be signed by the section chief. This step constitutes a confirmation of the original pickup order described in (1) above.
- (3) When the confirmed export application has been returned to Juschneschtrans, it is sent to the Central Commercial Bureau of USIA at Stalinplatz 10. There the application goes to GEORGIEVSKI, export permit officer, who checks and approves it and obtains the required signature of General Director OSIPOV. The application is then sent back again to Juschneschtrans.
- (4) Juschneschtrans now adds shipping documents to the approved application and takes all the papers to the Soviet traffic control office in the Imperial Hotel (open on Wednesdays and Fridays only), where the shipment is registered and a large rectangular approval statement stamped on the shipping documents; without this stamp no

is considered urgent, cars can be obtained from Soviet reserves allocated by the transportation officer in the Imperial. Freight charges are calculated according to official Austrian rates for shipping firms (Oesterreichischer Speditionsvertrag).

- b. In practice, not only USIA goods, but <sup>almost</sup> all goods which require Soviet (Imperial Hotel) clearance are handled by Juschneschtrans. All goods shipped from the Soviet Zone of Austria beyond the demarcation line or out of Austria must be accompanied by a Soviet export permit. If an independent Austrian merchant applies for clearance at the Imperial, he is faced with deliberate delays and in most cases it is suggested that Juschneschtrans can get the clearance for him. This procedure gives Juschneschtrans a great deal of business, in a sense amounting to a Soviet zone transportation monopoly. Even after a State Treaty is concluded, it is expected that Juschneschtrans will have a monopoly on transports to the East.
- c. Juschneschtrans performs a useful service for USIA in transporting shipments of paper, lumber, and other goods destined for Western Europe to the Czechoslovak counterpart of Juschneschtrans, which is called Cecho-Slavia. This company makes out new certificates of origin and ships the goods to western European countries; in this way Austrian export

series.) The Czechoslovak transportation firm was spelled Tsecho-Slavia; it is believed that the spelling Cecho-Slavia is the correct form.)

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<u>Name</u>	<u>Office</u>	<u>Telephone No.</u>
ALBIN, Hans	Central Commercial Bureau	U-44578
BONDAR,	Heavy Industry Dept., Sales & Purchasing Office	U-45350
BUKHARIN, "	"AVTOVELO"	R-23560 Ext. 95
BREKY,	Central Commercial Bureau	U-46140 Ext. 18
FRANKL,	Electrical Industry Administration	U-24154
GRUBER, Engr	Central Commercial Bureau	U-46127 Ext. 18
HORCHEL, Dr.	Economic Research Dept.	U-42427
HAUK	Heavy Industry Dept. (Adm. Machine Constr. Ind.)	U-23560 Ext. 73
HUKHOV	Buildings and Real Estate	U-47091
JACKEL,	Central Commercial Bureau	U-46146 Ext. 18
KAISER,	Central Bookkeeping	R-23560 Ext. 17
KRASNOV,	"AVTOVELO", Sales and Purchasing	R-23560 Ext. 93
KUVCHINSKI,	Construction & Building Materials, Sales & Purchasing Office	U-47534
LINDNER,	Heavy Industry Dept. (Adm. Machine Constr. Ind.)	R-23560 Ext. 73
LUCHIKOV,	Building, Estates and Real Estate	U-47680
MUSIL,	Central Commercial Bureau	U-46140 Ext. 13
OSIPOV,	Central Commercial Bureau	U-45360
POPOV,	Central Bookkeeping	R-23560 Ext. 17
RUBLIOV,	Heavy Industry Department (Adm. Machine Constr.)	RR-23560 Ext. 76/77
SERGACHEV,	Buildings and Real Estate	R-46864
SHARIKOV,	Electrical Industry, Sales and Purchasing Office	R-29566 Ext. 80
SHURIN,	Electrical Industry	U-23560 Ext. 80
SIDOROV, Dimitri,	Construction and Building	R-23560
STINER,	Shop Steward	R-23560 Ext. 112
VERONIN, Engr.	Economic Research Dept.	U-45092
WALLISCH	Heavy Industry Dept., (Adm. Machine Construction)	R-23560 Ext. 73
WEISS, Martin Dr.,	Metallurgical Administration	U-47555
Sales and Purchasing Office of Light Industry Section		U-42550 and U-46118

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